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**BUREAU OF MILK POOLING  
POLICY AND PROCEDURAL LETTER NO. 2**

**PRODUCER-DISTRIBUTORS TO BE CONSIDERED HANDLERS**

Under Chapter 2, a producer-distributor is classified as a producer when making bulk shipments of market milk to another distributor. Treating a producer-distributor in this manner under the Pooling Plan creates problems in the accountability of production base and pool quota. This can be greatly diminished if producer-distributors were considered as handlers when making these bulk shipments.

Therefore, for pool accounting purposes only, a producer-distributor who ships bulk milk to another distributor or handler will be considered to be a handler.

The producer-distributor will retain custody of his own production base and pool quota. The derived usage of any shipment to another pool handler will be the pro rata amount of the receiving handler's in-plant usage for the previous month. The derived usage of any shipment to nonpool plants will be that agreed upon by both handlers. These are the same methods by which any other pool handler accounts for similar transactions.

Bulk milk, shipped directly from the production facility to another handler, will be reported as a diversion.

Bulk milk, received into the plant and then shipped to another handler, will be reported as a transfer.

Jerry W. Fielder  
Director of Agriculture

By

Jed Adams, Chief  
Bureau of Milk Pooling

Dated: September 16, 1969